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UNCLAS STATE 090046

SENSITIVE
SIPDIS
KHARTOUM PLEASE PASS TO CONSULATE JUBA

E.O. 12958: N/A
TAGS: [PREL](#) [EAID](#) [SU](#) [BEXP](#) [ECON](#) [EINV](#) [KE](#) [UG](#)
SUBJECT: SUDAN - SOUTHERN SUDAN TRADE DELEGATION: IF YOU
BUILD IT, THEY WILL COME

REF: A. (A) STATE 35331
 1B. (B) KAMPALA 514
 1C. (C) KAMPALA 560
 1D. (D) NAIROBI 1049
 1E. (E) KHARTOUM 1128

1. This is an action request. Please see para 8.

BACKGROUND

2. The Comprehensive Peace Agreement (CPA) ended 21 years of civil war between Northern and Southern Sudan in January 2005. The United States continues its ardent support of the CPA, which calls for the democratic transformation of Sudan through power sharing, wealth sharing, and security sector reform. As part of our support for implementation of the CPA by the parties, we see the economic development of Southern Sudan as imperative to the future of Sudan's Government of National Unity (GNU) and the semi-autonomous Government of Southern Sudan (GOSS).

3. U.S. interest in the economic viability of the GOSS notwithstanding, U.S. sanctions policy on the whole of Sudan is complex and has been somewhat of a deterrent to U.S. companies potentially interested in operating in the region. In addition, the conflict in Darfur, though entirely separate from the economic recovery needs of Southern Sudan, has overshadowed Sudan's reputation on the world stage and further inhibited otherwise viable businesses from market engagement. (Reftels B,C, & D)

4. Despite these factors, we believe there is sufficient regional and international interest from the U.S. business community to sponsor a U.S. trade delegation to Southern Sudan, including the regional capital of Juba and other relevant towns, for those businesses interested in learning more about this exciting frontier market. Sanctions on Sudan are not insurmountable for the eager investor. Southern Sudan and its regional Government are exempt from many of the Sudanese sanctions administered by the Department of Treasury's Office of Foreign Assets Control, making it easier for companies to do business there.

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Moving Forward with U.S. Trade Delegation - Our Field of
Dreams
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5. The Consulate General in Juba is prepared to host a trade delegation of 30 - 40 representatives from interested companies in a variety of sectors from September 22 to October 3 with the purpose of visiting Juba and other relevant towns of interest in Southern Sudan; meeting with

GOSS government officials; and becoming familiar with the operational environment in Sudan (ref E). For planning purposes, and in order to secure participation to the fullest extent, it might become necessary to shorten the duration of the trip and shift it to the week of September 29 to October 13.

16. The delegation's itinerary will ultimately depend on the interests of those companies who participate, but the GOSS continues to encourage investors focused on natural resource exploration/extraction (bearing in mind USG prohibitions on transactions or activities relating to the petroleum or petrochemical industries extend to the entire territory of Sudan, including Southern Sudan); finances/banking; transportation; and agriculture. (ref E) We are also aware that technology/communications firms might be interested in Southern Sudan as well. ConGen Juba would reserve local accommodations and arrange intra-country travel; however, delegation participants would be required to secure their own transportation to and from Juba. Department of State and possibly Department of Commerce representatives will be on the delegation as well to answer questions of policy and sanctions process. Each delegation participant would be required to secure a valid Sudanese visa.

17. At this time we are attempting to identify interested companies and secure the participation of their representatives on the trade delegation. We are in communication with the National Foreign Trade Council's (NFTC) project USA Engage, which promotes multicultural cooperation on commerce, particularly under the presence of sanctions. We are hopeful that NFTC members, whether regionally or internationally based, will be willing to participate.

It Isn't Quite Iowa, But...

18. ACTION ADDIS, KAMPALA, NAIROBI: Posts are requested to engage with their local American Chamber of Commerce or other American business association channels with the intent of conveying information about the upcoming trade delegation to interested company representatives; ascertaining their particular area of interest (i.e. agriculture, resource extraction, etc.); and securing their participation on the delegation. Department needs to have a firm an idea of participation by August 29, if this not possible, please reach out to AF/SPG with perceived obstacles as soon as possible. In addition, Posts are encouraged to solicit views on preferred duration of the expedition within the September 22 - October 3 timeframe posed above. Posts are requested to reach out to AF/SPG Owen (Jimmy) Clarke or Pamela Fierst with any questions.

19. Posts are thanked in advance for their work on this challenging, but rewarding, initiative.
RICE